

# DEPARTMENT OF TAXATION

## Department Summary

### *Mission Statement*

To administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner by educating taxpayers on tax laws, by developing a professional staff and by using technology to increase efficiency and effectiveness.

### *Department Goals*

To provide one-stop customer service; to increase collection capabilities through efficient allocation of resources; to simplify taxpayer filings, provide a more user-friendly interface with the public, speed up refunds and expedite delinquent referrals; to automate tax filings, billings and collections; to expand capacity for research and revenue analysis; to permit more flexibility in accommodating tax law changes and initiatives to improve tax administration.

### *Significant Measures of Effectiveness*

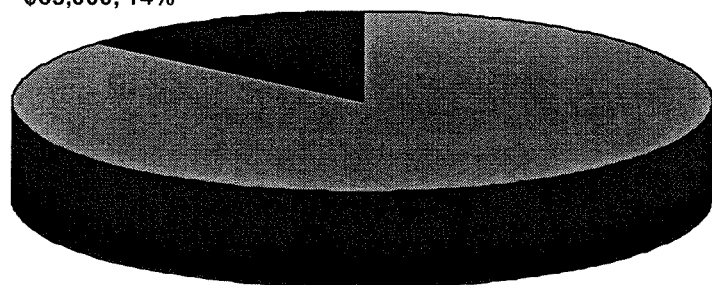
1. Average number of days to issue refund check
2. Percent of tax returns audited resulting in adjustments
3. Percent of delinquent taxes collected

#### FY 2006   FY 2007

15	15
80	80
40	40

### FY 2007 Supplemental Operating Budget Adjustments by Major Program

Supporting Svcs -  
Rev Coll,  
\$65,000, 14%



**Total \$.5 M**

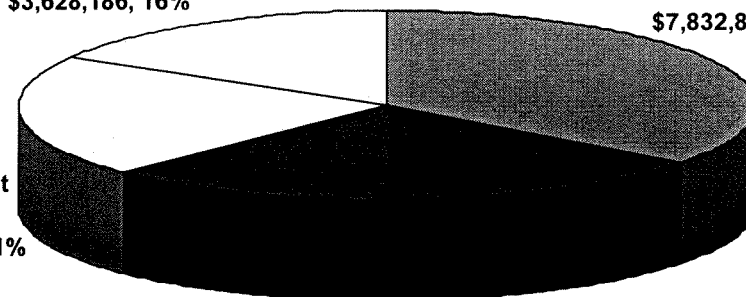
Tax Svcs &  
Processing,  
\$414,186, 86%

### FY 2007 Supplemental Operating Budget

Tax Collections  
Enforcement,  
\$3,628,186, 16%

Supporting Svcs -  
Rev Coll,  
\$7,832,807, 36%

Income  
Assessment  
& Audit,  
\$4,757,096, 21%



Tax Svcs &  
Processing,  
\$6,069,950, 27%

**Total \$22.3 M**

## **DEPARTMENT OF TAXATION MAJOR FUNCTIONS**

- Administers and enforces the tax laws of Hawaii and the collection of taxes and other payments.
- Coordinates a centralized system for receiving and processing of all tax returns, payments and documents.
- Provides one-stop customer service, assistance and information on all taxes administered by the department to customers who walk in, call-in, correspond or e-mail.
- Administers a comprehensive and uniform compliance program based on self-assessment and voluntary compliance.
- Conducts audits and investigations of all types of tax returns.
- Conducts and enforces collection of delinquent taxes by appropriate collection procedures.
- Plans, organizes and coordinates a tax research and tax planning program.
- Provides administrative and research support to the Council on Revenues which prepares revenue estimates for the State on a quarterly basis.

## **MAJOR PROGRAM AREAS**

The Department of Taxation has programs in the following major program area:

### **Government-Wide Support**

TAX 102	Income Assessment and Audit
TAX 103	Tax Collections Enforcement
TAX 105	Tax Services and Processing
TAX 107	Supporting Services – Revenue Collection

**Department of Taxation**  
**(Operating Budget)**

		<b>Act 178/2005 FY 2006</b>	<b>Act 178/2005 FY 2007</b>	<b>FY 2007 Adjustments</b>	<b>Total FY 2007</b>
<b>Funding Sources:</b>	Positions	366.50	372.50	0.00	372.50
General Funds	\$	21,674,013	21,356,853	479,186	21,836,039
Special Funds		452,000	452,000	0	452,000
		366.50	372.50	0.00	372.50
<b>Total Requirements</b>		22,126,013	21,808,853	479,186	22,288,039

**Highlights of the Executive Supplemental Budget Request:** (general funds unless noted)

1. Added \$414,186 for additional seasonal and other temporary hires to improve cash management and customer service.
2. Added \$65,000 and 3.0 temporary position counts for the Tax Review Commission.